

CableFAX Daily™

Friday — November 19, 2010

What the Industry Reads First

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Gatekeeper Change: Charter's Rigdon to Become Comcast's New Bond

So, what does **Comcast's** plans for a world post-NBCU mean? Well, for one, *Matt Bond* shifts to NBC and won't be negotiating carriage deals for the MSO any more. That job will go to **Charter's** lead programming negotiator *Greg Rigdon*. No word on who will replace Rigdon, who was upped to evp, corp dev and strategy at Charter in Aug. Looks like he's a pick from **Comcast Cable** pres (and former Charter boss and **AOL** colleague) *Neil Smit*, who for those of you drawing up your own flow charts continues to report to *Steve Burke* (Burke will have the dual title of CEO of NBCU and COO Comcast). Bond's new title will be evp, content distribution, responsible for domestic TV content and digital distribution. Most of the news in Burke's structural memo Thurs (such as *Jeff Shell's* move to London as chmn, NBCU Intl and *Bob Greenblatt* becoming chmn NBC Ent) had been out there in some form for the past few weeks. But there are always a few new details, such as **Golf Channel** pres *Page Thompson* getting the gig as evp, strategic integration for NBCU. He'll be responsible for identifying synergy opportunities between Comcast, NBC, Universal Studios Parks and the cable nets. *Bonnie Hammer* will become chmn, NBCU Cable Ent and Cable Studios, while *Lauren Zalaznick* will serve as chmn, NBCU Ent & Digital Nets and Integrated Media. **G4's** *Neal Tiles* will report to Hammer as will a newly appointed pres of E!. *Ted Harbert* will serve as chmn, NBC Broadcasting. *Dave Cassaro* will become pres, cable ad sales, while *Marianne Gambelli* will become pres, NBC Network Ad Sales. *Dick Ebersol* will become chmn, NBC Sports Group, which includes the RSNs as well as **Golf**, **Versus** and **NBC Sports**. The list of coming NBC departures so far include: CEO *Jeff Zucker*, chmn *Jeff Gaspin*, sales chief *Mike Pilot* and communications head *Allison Gollust*.

Value Pack: NYC will be the 1st **Time Warner Cable** market to get to test its low-priced, smaller video offering, with the package launching there on Mon. While The "TV Essentials" package has a \$49.99/month planned price tag, the MSO is testing different price points. NY will have a \$39.99/mo price for 12 months. On Dec 15, another market trial will launch in Northeast OH (Cleveland, Erie, PA)—this time with a \$29.99/mo price tag. The MSO said it will analyze those markets and decide how to proceed. **ESPN** won't be a part of the TV Essentials package (makes sense given the noise made about how broadband offering **ESPN3** will only be made available to TWC subs receiving ESPN). NYC's package features 39 cable nets, including **A&E**, **BET**, **Bravo**, **CNN**, **Cartoon**, **Discovery**, **Disney Channel**,

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ESPNews, FX, Hallmark, HGTV, History, Headline News, Lifetime, MTV, Nick Jr, TBS (but not TNT), USA and VH1 as well as all the broadcast stations. **Sanford Bernstein** believes the fact that the major programmers are represented means media companies are acknowledging the importance of lower-priced offerings, and said the package should help distributors combat cord-cutting. TWC CFO *Rob Marcus* spoke about the bundles during an investor conference Thurs, revealing that there may be multiple smaller package choices. "Because we're excluding the higher-priced channels, we have the ability to charge a lot less for it," Marcus said. He also downplayed the notion of cannibalization. The package isn't going to feature HD boxes, DVRs, free VOD or discounts for bundled services.

Spin City: Cablevision shares closed up nearly 7% Thurs on the news that it's exploring a spinoff of programming unit **Rainbow**, which includes **AMC, WE** and **IFC**. "It's really a continuation of the same philosophy that the company has had for some time now. It's about shareholder value," CVC pres/CEO *Jim Dolan* said at an investor presentation Thurs. As for whether a spinoff would mean changes for Rainbow's mgmt team, Dolan said it's presumptuous at this point to suggest what the mgmt structure would be, but praised Rainbow's team as "excellent." Cablevision's targeting mid-year '11 for completion of the potential leveraged spinoff, which would be structured as a tax-free pro rate distribution to stockholders. Cablevision said it's not considering the sale of Rainbow or its cable and telecom biz, but that didn't stop the talk. **Wells Fargo Securities** told clients it has already received feedback from investors saying that a sale is still possible—"if not now, at some point down the line." **Sanford Bernstein's Craig Moffett** weighed in that the immediate M&A implications will be more significant for Rainbow, calling it a far easier acquisition target for one of the larger media companies. **S&P** raised its opinion on CVC shares to "buy" from "strong sell."

Competition: While owning the trademark to the phrase **TV Everywhere**, **DISH** said it's now the 1st US pay-TV provider to offer a service truly worthy of the name. It allows DISH subs to watch all live and recorded TV shows on compatible smartphones, tablets and laptops—including iPhone, iPad, Android and BlackBerry devices—by using a remote access app in concert with a broadband-connected, Sling-enabled receiver. The DBS op launched DISHOnline.com in Aug. -- **FiOS TV** signed on to the **Google TV Ads** platform, which gains access to more than 50 nets across 3.3mln homes and by early next year will be able to reach 35mln homes. -- **DirecTV** and **Scripps Nets** are co-producing "Guy's Big Bite" (Dec 4), a 3D culinary show featuring **Food Net** star *Guy Fieri* and that will become the 1st food series featured on n3D, the DirecTV/Panasonic channel.

New Charter: After reducing 42% of its headends in the past 3 years, emerging from bankruptcy last Dec and returning to **NASDAQ** trading in Sept, just where is **Charter** now? It serves approx 5.2mln subs across 11 "key market areas" (GA and MI serve the most), and as the corporate reorg prevented large scale investments, "now we're looking at significantly improving the customer experience through products and services," said pres/CEO *Mike Lovett* at a **BoA** conference. Charter has nearly closed the gap with its industry peers regarding digital (72%) and HD/DVR penetration (half of homes get advanced services), he said, but "we're hitting the gas pretty hard" to ramp rollouts of products such as DOCSIS 3.0 (35% penetration). Also an important focus is home networking. 19% of the MSO's Internet subs pay \$10/month for home-wide Web access, for which 1/3 of new subs sign on. The service importantly helps mollify the effects of OTT alternatives, said Lovett, who nonetheless believes any cord cutting today is more about customers temporarily forgoing video services due to economic concerns than substitution. "I've seen this before... then it bounced back," said Lovett of his days with **AT&T Broadband**. He is a proponent of a smaller cable tier to help certain cash-strapped customers and said Charter may introduce one. Softness in connects has continued into 4Q, but Lovett said the MSO's focus on "quality" connects that provide benefits in churn has played a role. Of the **Comcast-NBCU** merger, Lovett said the collegial nature of cable ops has the industry "rooting for Comcast to be successful in their vertical integration on the content side."

Morgan Stanley Notebook: It may not be a runaway train, but **Discovery Comm** pres/CEO *David Zaslav* said the ad market, after being quite kind to cable last Q, is again gaining steam in 4Q. "It's stronger than it was a month ago, and everybody is in it," he said, noting how scatter pricing continues to rise. He was particularly bullish on **Investigation Discovery**, its distribution side apparently heating up much like its ratings. "We're on a mission now to take I.D. around the world and build it into a big business," said Zaslav. The net added nearly 16mln US homes this year for a total of 72mln, and existing commitments will push it to 80mln by mid-'11, when I.D. will own global distribution of more than 100mln.

On the Hill: Sen Judiciary approved the Combating Online Infringement and Counterfeits Act, which is meant to em-

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power DOJ to crack down on Websites illegally providing access to copyrighted video content. -- More drama for the **House Energy & Commerce** cmte. **House Natural Resources** ranking member *Doc Hastings* (R-WA) has made a play to seize the energy portfolio from the committee.

Earnings: Just as **ShopNBC** extended its licensing agreement with **NBCU** through May '12 for use of the brand and 2 e-commerce Websites, Shop reported an 11% increase in net sales to \$132mln, 19% gross profit growth to \$47mln and positive adjusted EBITDA of \$600K, compared to -\$5.6mln a year ago. The net's preparing for carriage talks with distributors representing approx 25% of its footprint.

Technology: **Canoe Ventures** announced the Collaborative Innovation Program to identify and evaluate new opportunities in the areas of iTV, VOD and addressable advertising and under which Canoe's Innovation Lab now operates. **FourthWall Media**, **icue TV**, **PayPal**, **Delivery Agent** and **Catalina** marketing joined the CIP to specifically explore RFI and T-Commerce plays.

Programming: **Fox Sports** received the TV rights to the Big Ten Football Championship Game, from its inauguration in Dec '11 through '16. It's a big deal for Fox, which no doubt was nearly guaranteed the package by virtue of its stake in **Big Ten Net**. **ESPN** has scooped up several college football deals and in Jan begins televising the BCS title game.

CableFAX Daily Stockwatch

Company	11/18 Close	1-Day Ch	Company	11/18 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	41.89	0.29	ARRIS GROUP:	10.14	0.16
DISH:	19.00	(0.25)	AVID TECH:	15.34	0.43
DISNEY:	37.58	0.36	BIGBAND:	2.91	0.05
GE:	16.04	0.23	BLNDER TONGUE:	2.10	(0.02)
NEWS CORP:	16.03	0.30	BROADCOM:	42.00	1.92
MSOS					
CABLEVISION:	30.91	1.98	CISCO:	19.61	0.20
CHARTER:	35.81	0.02	CLEARWIRE:	6.99	0.26
COMCAST:	20.57	0.18	COMMSCOPE:	31.99	0.06
COMCAST SPCL:	19.42	0.18	CONCURRENT:	4.75	0.10
GCI:	10.62	0.28	CONVERGYS:	12.39	(0.01)
KNOWLOGY:	14.99	0.57	CSG SYSTEMS:	19.18	0.30
LIBERTY CAPITAL:	57.60	0.85	ECHOSTAR:	20.94	0.34
LIBERTY GLOBAL:	38.19	0.38	GOOGLE:	596.56	13.01
LIBERTY INT:	15.45	0.09	HARMONIC:	6.54	(0.12)
MEDIACOM:	8.48	UNCH	INTEL:	21.02	(0.07)
SHAW COMM:	20.51	(0.01)	JDSU:	11.89	0.39
TIME WARNER CABLE:	62.75	0.76	LEVEL 3:	1.08	(0.03)
VIRGIN MEDIA:	26.69	0.27	MICROSOFT:	25.84	0.27
WASH POST:	385.44	0.59	MOTOROLA:	8.13	0.23
PROGRAMMING					
CBS:	16.55	0.35	RENTRAK:	26.19	1.33
CROWN:	2.72	0.10	SEACHANGE:	8.31	0.09
DISCOVERY:	42.39	0.73	SONY:	35.41	0.94
GRUPO TELEVISIA:	22.85	0.49	SPRINT NEXTEL:	3.86	0.14
HSN:	28.19	0.66	THOMAS & BETTS:	43.89	0.83
INTERACTIVE CORP:	27.51	0.51	TIVO:	8.97	0.16
LIBERTY:	38.74	0.66	TOLLGRADE:	8.22	0.16
LIBERTY STARZ:	62.76	0.73	UNIVERSAL ELEC:	27.00	(0.16)
LIONSGATE:	7.46	0.11	VONAGE:	2.50	0.06
LODGENET:	2.76	(0.01)	YAHOO:	16.99	0.84
NEW FRONTIER:	1.91	(0.02)	TELCOS		
OUTDOOR:	6.25	0.25	AT&T:	28.44	0.48
PLAYBOY:	5.05	0.01	QWEST:	6.88	0.13
SCRIPPS INT:	52.54	0.84	VERIZON:	32.65	0.31
TIME WARNER:	30.51	(0.03)	MARKET INDICES		
VALUEVISION:	2.95	(0.28)	DOW:	11181.23	173.35
VIACOM:	44.40	0.63	NASDAQ:	2514.40	38.39
WWE:	13.84	0.07	S&P 500:	1196.69	18.10
TECHNOLOGY					
ADC:	12.68	(0.01)			
ADVANTAGE:	3.20	0.04			
ALCATEL LUCENT:	2.94	(0.03)			
AMDOCS:	26.19	0.06			
AMPHENOL:	50.44	1.37			
AOL:	25.39	0.15			
APPLE:	308.43	7.93			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Soap Boxing

Sen Jay Rockefeller (D-WV) slammed the US media and particularly **Fox News** and **MSBNC** during Wed's retrans hearing. He essentially said political discourse would benefit if the **FCC** would just tell the 2 nets to shoo, get lost, as they most represent the shrill barking inherent to a 24-hour news cycle focused more on ent than news. **Comedy Central's** Jon Stewart voiced similar concerns at a recent D.C. rally, though he threw all of cable news under the bus. **CNN** has been carrying a similar competitive message to consumers, of course while trumpeting its own neutrality. I am all for straight shooting, and often bristle when listening to the myriad blowhards who pontificate more about their own views than current news. If you look at the ratings, though, people like to watch bellicose personalities who represent their ideals, their side of the aisle. CNN has slipped to last behind Fox News and MSNBC, and I don't see that changing anytime soon. But, as **Time Warner** chief *Jeff Bewkes* has often noted in recent months, CNN excels on the Web. According to **comScore**, **CNN.com** has ranked 1st or 2nd among cable-related Websites in uniques during every month this year through Oct, routinely notching 15-20% of the overall monthly total. Its only losses came to **WeatherChannel.com** or **ESPN.com**. Moreover, the site always scores exceedingly well in the avg minutes spent/viewer metric, topping out at 40.1min in Jan, and is remarkably consistent in traffic and time spent. That bodes well for the future, what with Internet ad rev accelerating again and Bewkes hell bent on expanding the reach of Time Warner's digital content. Still, TV dominates, leaving CNN a lot of work to do on the linear side. Here's hoping that the only side it picks is level-headedness over effusiveness. *[For more insightful info like the Web data cited herein, go to CableFAXDaily.com]. CH*

Highlights: "Seductive Subversion," Wed, 8p ET, **Ovation**. Women artists of the "Mad Men" era finally get their due in this terrific doc, filled with apposite clips and music. SA -- "Mystery of the Hope Diamond," Sun, 9p, **Smithsonian**. The Smithsonian celebrates 50 years of housing the world's most valuable diamond with an enchanting look at the rock's 350-year saga, including owners and disappearances. (Review by *Bill Miltenberg*)

Worth a Look: "Taking Care with Joan Lunden," M-Thurs, 8pm, **RLTV**. With 80% of care-giving done by family members, this sensitive, information-filled, 4-parter is much needed. Cleverly, 1 ep begins by highlighting a parent caring for a son injured in Iraq. -- "Aaron Karo: The Rest is History," Fri, 11p, **Comedy**. 30-year-old standup *Karo* gets decent results with jokes about dating and drinking. -- "Drinking Made Easy: VA," Wed, 8:30p, **HDNet**. Speaking of drinking, we had to sample this ep about our neighboring VA. It begins with 'healthy' libations as the boys imbibe fresh OJ mixed with vodka, triple sec and beers. SA

Notable: One of cable's quickest wits is "Dirty Jobs" host *Mike Rowe*. This week, the series moves to Sun, 9p as Mike learns the finer points of hair removal. Nodding to "The 40-Year-Old Virgin," Rowe waxes his producer's chest and nose hairs. SA

Basic Cable Rankings (11/08/10-11/14/10) Mon-Sun Prime			
1	ESPN	2.7	2738
2	USA	2	2021
2	DSNY	2	1968
4	FOXN	1.7	1650
5	TNT	1.4	1443
5	TBSC	1.4	1376
7	NAN	1.3	1309
8	TOON	1.2	1168
8	FAM	1.2	1155
8	FX	1.2	1010
11	HIST	1.1	1094
12	TLC	1	1013
12	NFLN	1	576
14	HGTV	0.9	907
14	AMC	0.9	882
14	HALL	0.9	774
17	A&E	0.8	846
17	CMDY	0.8	775
17	FOOD	0.8	752
17	SPK	0.8	750
17	SYFY	0.8	737
17	MSNB	0.8	734
17	BRAV	0.8	709
17	TRU	0.8	709
17	NKJR	0.8	561
26	DISC	0.7	725
26	TVLD	0.7	722
26	ESP2	0.7	685
26	LIFE	0.7	659
30	MTV	0.6	623
30	LMN	0.6	478
30	NGC	0.6	398
33	BET	0.5	481
33	ID	0.5	371
33	VS	0.5	365
33	OXYG	0.5	354
37	EN	0.4	439
37	CNN	0.4	423
37	APL	0.4	377
37	TRAV	0.4	337
37	GSN	0.4	291
37	NKTN	0.4	219
37	HMC	0.4	132
44	HLN	0.3	338
44	CMT	0.3	275
44	VH1	0.3	271

**Nielsen data supplied by ABC/Disney*

TheCableFAXIES awards

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